



HOUSE OF REPRESENTATIVES

COMMITTEE ON TAX POLICY

REP. MATT HALL

CHAIR

COMMITTEE MEETING MINUTES

Thursday, February 24, 2022 8:00 AM Room 352, House Appropriations, State Capitol Building

The House Tax Policy Committee was meeting jointly with the House Appropriations Committee.

The House Committee on Tax Policy was called to order by Chair Hall.

The Chair requested attendance be called:

Present: Reps. Hall, Tisdel, Calley, Farrington, Steven Johnson, Meerman, O'Malley, Beeler, Outman, Yancey, Ellison, Brixie, Kuppa, Neeley, Cavanagh.

Absent: None.

Excused: None.

Representative Tisdel moved to adopt the meeting minutes from February 16, 2022. There being no objection, the motion prevailed by unanimous consent.

At 8:12 AM, the Chair laid the committee at ease.

At 8:13 AM, Majority Vice Chair Tisdel called the committee back to order.

Chair Hall testified in regard to his ideas on tax reform. Questions and discussion followed.

At 8:29 AM, Majority Vice Chair Tisdel laid the committee at ease.

At 8:31 AM, the Chair called the committee back to order.

Ben Gielczyk, representing the House Fiscal Agency, testified to the tax plan that members have before them. Questions and discussion followed.

Chair Hall moved to lay HB 5838 before the committee. There being no objection, the motion prevailed by unanimous consent:

HB 5838 (Rep. Hall)

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending sections 30 and 51 (MCL 206.30 and 206.51), section 30 as amended by 2022 PA 5 and section 51 as amended by 2020 PA 75.

Representative Yancey offered the following amendment to HB 5838:

1. Amend page 27, following line 13, by inserting:

"Enacting section 1. This amendatory act does not take effect unless House Bill No. 4490 of the 101st Legislature is enacted into law."

Representative Yancey moved to adopt the amendment to HB 5838. The motion did not prevail 6-9-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Yancey, Ellison, Brixie, Kuppa, Neeley, Cavanagh.

Nays: Reps. Hall, Tisdell, Calley, Farrington, Steven Johnson, Meerman, O'Malley, Beeler, Outman.

Pass: None.

Representative Ellison offered the following amendments to HB 5838:

1. Amend page 23, line 5, after "31," by striking out "2021," and inserting "2022,".

2. Amend page 23, line 6, by striking out the balance of the page through "51d." on line 18 of page 24 and inserting:

"(c) Beginning on and after January 1, 2023, except as otherwise provided under subsection (5), as follows:

(i) For a single return, as follows:

(A) On the first \$20,000.00, 3.0%.

(B) On all taxable income over \$20,000.00 but less than or equal to \$40,000.00, 4.0%.

(C) On all taxable income over \$40,000.00 but less than or equal to \$80,000.00, 5.0%.

(D) On all taxable income over \$80,000.00 but less than or equal to \$125,000.00, 6.0%.

(E) On all taxable income over \$125,000.00 but less than or equal to \$200,000.00, 7.0%.

(F) On all taxable income over \$200,000.00 but less than or equal to \$500,000.00, 8.0%.

(G) On all taxable income over \$500,000.00 but less than or equal to \$1,000,000.00, 9.0%.

(H) On all taxable income over \$1,000,000.00, 10.0%.

(ii) For a joint return, as follows:

(A) On the first \$40,000.00, 3.0%.

(B) On all taxable income over \$40,000.00 but less than or equal to \$80,000.00, 4.0%.

(C) On all taxable income over \$80,000.00 but less than or equal to \$160,000.00, 5.0%.

(D) On all taxable income over \$160,000.00 but less than or equal to \$200,000.00, 6.0%.

(E) On all taxable income over \$200,000.00 but less than or equal to \$250,000.00, 7.0%.

(F) On all taxable income over \$250,000.00 but less than or equal to \$500,000.00, 8.0%.

(G) On all taxable income over \$500,000.00 but less than or equal to \$1,000,000.00, 9.0%.

(H) On all taxable income over \$1,000,000.00, 10.0%."

3. Amend page 25, line 23, after "(5)" by inserting "**For the 2024 tax year and each tax year after the 2024 tax year, the taxable income amounts under subsection (1)(c) shall be adjusted by the department of treasury for inflation by multiplying each amount for the tax year beginning in 2023 by a fraction, the numerator of which is the Midwest employment cost index for the east north central division for the state fiscal year ending in the tax year prior to the tax year for which the adjustment is being made and the denominator of which is the Midwest employment cost index for the east north central division for the 2021-2022 state fiscal year. The resultant product shall be rounded to the nearest \$100.00 increment.**".

4. Amend page 26, line 26, by striking out the balance of the page through "years." on line 2 of page 27 and inserting:

"(a) "Midwest employment cost index for the east north central division" means the Midwest employment cost index for the east north central division for private workers as defined and reported by the United States Department of Labor, Bureau of Labor Statistics." and relettering the remaining subdivisions accordingly.

Representative Ellison moved to adopt the amendment to HB 5838. The motion did not prevail 6-9-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Yancey, Ellison, Brixie, Kuppa, Neeley, Cavanagh.

Nays: Reps. Hall, Tisdell, Calley, Farrington, Steven Johnson, Meerman, O'Malley, Beeler, Outman.

Pass: None.

Representative Kuppa offered the following amendment to HB 5838:

1. Amend page 27, following line 13, by inserting:

"Enacting section 1. This amendatory act does not take effect unless House Bill No. 4986 of the 101st Legislature is enacted into law."

Representative Kuppa moved to adopt the amendment to HB 5838. The motion did not prevail 6-9-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Yancey, Ellison, Brixie, Kuppa, Neeley, Cavanagh.

Nays: Reps. Hall, Tisdell, Calley, Farrington, Steven Johnson, Meerman, O'Malley, Beeler, Outman.

Pass: None.

Representative Brixie offered the following amendment to HB 5838:

1. Amend page 27, following line 13, by inserting:

"Enacting section 1. This amendatory act does not take effect unless House Resolution No. 224 of 2022 is adopted."

Representative Brixie moved to adopt the amendment to HB 5838. The motion did not prevail 6-9-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Yancey, Ellison, Brixie, Kuppa, Neeley, Cavanagh.

Nays: Reps. Hall, Tisdell, Calley, Farrington, Steven Johnson, Meerman, O'Malley, Beeler, Outman.

Pass: None.

Representative Brixie offered the following amendment to HB 5838:

1. Amend page 27, following line 13, by inserting:

"Enacting section 1. This amendatory act does not take effect unless House Bill No. 4323 of the 101st Legislature is enacted into law."

Representative Brixie moved to adopt the amendment to HB 5838. The motion did not prevail 6-9-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Yancey, Ellison, Brixie, Kuppa, Neeley, Cavanagh.

Nays: Reps. Hall, Tisdell, Calley, Farrington, Steven Johnson, Meerman, O'Malley, Beeler, Outman.

Pass: None.

At 9:34 AM, the Chair laid the committee at ease.

At 9:35 AM, the Chair called the committee back to order.

Representative Tisdell moved to report out HB 5838 with recommendation. The motion prevailed 9-0-6:

FAVORABLE ROLL CALL

Yeas: Reps. Hall, Tisdell, Calley, Farrington, Steven Johnson, Meerman, O'Malley, Beeler, Outman.

Nays: None.

Pass: Reps. Yancey, Ellison, Brixie, Kuppa, Neeley, Cavanagh.

The following person submitted a card in support of HB 5838, but did not wish to speak:

Amanda Fisher, representing the National Federation of Independent Business.

The following person submitted a card in opposition to HB 5838, but did not wish to speak:

Rachel Richards, representing the Michigan League for Public Policy.

There being no further business before the committee, Chair Hall adjourned the meeting at 9:36 AM.

Representative Matt Hall, Chair

Edward Sleeper
Committee Clerk
esleeper@house.mi.gov